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FM AMEMBASSY HARARE  
TO RUEHC/SECSTATE WASHDC 4995  
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE  
RUEHAR/AMEMBASSY ACCRA 3074  
RUEHDS/AMEMBASSY ADDIS ABABA 3186  
RUEHRL/AMEMBASSY BERLIN 1615  
RUEHBY/AMEMBASSY CANBERRA 2449  
RUEHDK/AMEMBASSY DAKAR 2818  
RUEHKM/AMEMBASSY KAMPALA 3234  
RUEHNR/AMEMBASSY NAIROBI 5681  
RUEHGV/USMISSION GENEVA 2368  
RUEAIIA/CIA WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RHEFDIA/DIA WASHDC  
RHMFISS/EUCOM POLAD VAIHINGEN GE  
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK  
RHEHAAA/NSC WASHDC

UNCLAS SECTION 01 OF 03 HARARE 000810

AF/S FOR B. WALCH  
ADDIS ABABA FOR USAU  
ADDIS ABABA FOR ACSS  
NSC FOR SENIOR AFRICA DIRECTOR  
STATE PASS TO USAID FOR L.DOBBS AND J. HARMON  
COMMERCE FOR ROBERT TELCHIN

SIPDIS

E.O.12958: N/A  
TAGS: [PGOV](#) [PREL](#) [ASEC](#) [PHUM](#) [ECON](#) [ZI](#)

SUBJECT: ZIM NOTES 10-02-2009

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1. SUMMARY  
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Topics of the week:

- Supreme Court Rules in Human Rights Defender's Favor
- Shamu Fills Media Boards with ZANU-PF Sympathizers...
- Parliament Completes Electoral Commission Interviews...
- Brigadier General Ignores High Court Order...
- GOZ to Appeal Ruling on Diamond Fields...
- USAID Loan Guarantees for Agriculture...
- So That's Why the Lights Went Out...
- Banks Meet Capital Targets...
- Nestle's Dis-Grace...

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On the Political and Social Front  
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12. Supreme Court Rules in Human Rights Defender's Favor... On September 28 the Supreme Court granted Zimbabwe Peace Project Director Jestina Mukoko a permanent stay of prosecution in the terrorism case against her. The Court ruled that her constitutional rights were violated when she was abducted, tortured, and illegally detained in late 2008. Lawyers welcomed the ruling and on Thursday called on Attorney General Johannes Tomana to accept responsibility for his law officers' failure to protect the rights of Mukoko and other abductees by resigning. Seven MDC activists abducted in late 2008 are still missing. See Harare 775.

13. Shamu Fills Media Boards with ZANU-PF Sympathizers... Webster Shamu (ZANU-PF), the Media, Information and Publicity Minister, announced on September 30 board appointments to the six media-related parastatals including Zimpapers (the publisher of State media), the Broadcast Authority of Zimbabwe (regulatory agency for broadcasters), Zimbabwe Broadcasting Holdings (ZBC TV station), Transmedia (transmission equipment provider), Kingstons (bookseller), and New Ziana (news outlet). Media watchdog groups

Media Institute of Southern Africa and the Media Monitoring Project of Zimbabwe criticized the appointments noting that each board contained at least one military official and prominent opponents of media freedom including new BAZ chairman Tafataona Mahoso. Mahoso is notorious for having banned the Daily News, the Times, and the Tribune while he was chair of the Media Information Commission. He was also the lowest-ranked candidate during parliamentary interviews for the new Media Commission.

¶4. Parliament Completes Electoral Commission Interviews... A bipartisan panel of MPs completed interviews of 25 candidates for the new constitutionally-mandated Independent Zimbabwe Electoral Commission (IZEC) on September 28. The panel identified the top 12 candidates whose names will be forwarded to President Mugabe who will constitute the commission's body by selecting eight of them. He will separately nominate a chairperson put forward by the Judicial Services Commission. University of Zimbabwe law professor Geoff Feltoe was the top-ranked candidate, but the white professor believes he is unlikely to make the cut given his outspoken criticism of ZANU-PF and his race.

¶5. Brigadier General Ignores High Court Order... White farmer Q5. Brigadier General Ignores High Court Order... White farmer Charles Lock secured a High Court order from Justice Baharat Patel on September 24 granting him "unfettered access" to his farm and crop. The judge ordered police to help him gain access to the property. Despite the order, men working for Brigadier General Justin Mujaji, who continues to occupy the farm, threatened to shoot Lock when he attempted to move 150 tons of tobacco and 500 tons of maize valued at US\$700,000 this week.

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¶6. GOZ to Appeal Ruling on Diamond Fields... Minister of Mines Obert Mpofu (ZANU-PF) informed the press on October 1 that the State planned on appealing last week's Supreme Court ruling upholding private mining firm African Consolidated Resources' (ACR) claim to the Chiadzwa diamond fields. In a statement following its court victory last week, ACR said it was committed to "dialogue with the Zimbabwe government." The comment may indicate ACR's willingness to partner with the government.

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On the Economic and Business Front  
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¶7. USAID Loan Guarantees for Agriculture... On September 30, USAID Zimbabwe signed an agreement with Standard Chartered Bank for loan guarantees to back agricultural lending of up to US\$20 million over five years. The program is supported by USAID's Development Credit Authority. It allows Standard Chartered to make loans to farmers and agricultural enterprises that will supply inputs and technical assistance to smallholders. Read the press release at [http://harare.usembassy.gov/agric\\_support.html](http://harare.usembassy.gov/agric_support.html). Surprisingly, the government mouthpiece The Herald covered the story and included a photo of the Charg and USAID Director at the signing ceremony.

¶8. So That's Why the Lights Went Out... The Hwange Colliery Company, which supplies the Hwange Power Station (HPS), recorded a 53 percent year-on-year decline in coal sales and a 79 percent fall in coke sales during the first six months of the year. The main reason was the constant breakdown of antiquated equipment. At the same time HPS suffered interruptions of gas supplies because of a major breakdown of a gas pipeline. With a capacity of 1200 MW, HPS is Zimbabwe's largest power station. Hwange Colliery will require substantial investment to meet an anticipated increase in demand for coal driven by projected regional power shortages in the coming years.

¶9. Banks Meet Capital Targets... All of Zimbabwe's commercial banks met the September 30 deadline for satisfying new minimum capital requirements set by the Reserve Bank of Zimbabwe (RBZ). But the RBZ had set the bar low by allowing banks to include fixed assets in their reserve numbers. When the air goes out of Harare's recently effervescent property market, some banks will need to raise

more capital. Minimum capital requirements are set to rise again in March, and that may increase pressure on the weaker banks. According to the President of the Bankers' Association of Zimbabwe, some banks had already met that higher standard. But it is clear that many institutions will need much more time to recover from the ravages of hyperinflation.

¶10. Nestle's Dis-Grace... Following news reports that Nestle's local subsidiary had been doing business with a dairy farm controlled by Grace Mugabe, the company announced that it would no longer buy milk from Gushongo Dairy Estate near Mazowe. Gushongo Qlonger buy milk from Gushongo Dairy Estate near Mazowe. Gushongo had previously been operated as Foyle Farm, until the owner was forced to sell it for a fraction of its value in 2003. The 2,400-acre farm is now managed by Russell Goreraza, Grace Mugabe's son from her first marriage. Since February the Nestle factory on the outskirts of Harare had reportedly been receiving milk from Gushongo three times a week in "an unmarked tanker."

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Quote of the Week  
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¶11. "We have always respected property rights. Except on land..."  
-- Minister of Economic Planning Elton Mangoma (MDC-T), quoted in The Independent on October 2.

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